

## Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 EA-07 ISO-00 CAB-02 CIAE-00 COME-00  
DODE-00 DOTE-00 INR-07 NSAE-00 CIEP-01 FAA-00 L-03  
SCS-03 SCA-01 /044 W  
-----141226Z 040932 /23-12

R 141032Z JAN 77  
FM AMEMBASSY BANGKOK  
TO SECSTATE WASHDC 8226  
INFO AMEMBASSY THE HAGUE  
AMCONGEN HONG KONG  
AMEMBASSY KUALA LUMPUR  
AMEMBASSY SINGAPORE  
AMEMBASSY TOKYO  
CINCPAC HONOLULU  
FAA HONOLULU

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E.O. 11652: N/A  
TAGS: EAIR, TH  
SUBJECT: CIVAIR: AIR SIAM -- THE END, AGAIN

REF: A) 76 BANGKOK 34817 B) BANGKOK 0237 C) STATE 2794

SUMMARY: WITH FUEL AND OTHER CREDITORS CLOSING IN, IT LOOKS AS  
THOUGH AIR SAIM HAS MADE ITS FINAL FLIGHT. END SUMMARY:

1. IN LUNCHEON COVERSATION JAN 13 WITH DR. CHITTI WACHARASINDHU,  
DEPUTY DIRECTOR GENERAL, DEPARTMENT OF AVIATION, AND DR. SRISOOK  
CHANDRANGSU, CHIEF, TRANSPORT AND COMMUNICATION COMMITTEE  
SERVICES DIVISION, MINISTRY OF COMMUNICATION, FOLLOWING POINTS  
EMERGED:

A. KLM, WHICH LEASES 747 TO AIR SIAM INFORMED DR. CHITTI JAN  
10 THAT AIR SAIM IS TWO MONTHS IN ARREARS ON LEASE PAYMENTS AND  
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THAT KLM MIGHT INITIATE LEGAL ACTION IN BANGKOK TO REPOSSESS  
AIRCRAFT. FINAL DECISION WILL BE MADE SOON BY KLM TEAM  
WHICH ARRIVED BANGKOK THIS WEEK FROM AMSTERDAM,

B. AFTER RESUMING OPERATIONS JAN 5 (REF B), AIR SIAM  
DEPARTED BANGKOK JAN 8 ON SECOND POST-SUSPENSION ROUNDTrip  
TO HONOLULU. HOWEVER, AIRCRAFT TURNED AROUND IN TOKYO AND

RETURNED TO BANGKOK JAN 9. IT HAS REMAINED HERE SINCE THAT TIME, IN PART AT INSISTENCE OF KLM, BUT MORE IMMEDIATELY BECAUSE SHELL OIL, WHICH HOLDS FOUR PERCENT EQUITY INTEREST IN AIR SIAM, HAS REFUSED TO PROVIDE FUEL UNLESS AIRLINE PAYS CASH IN ADVANCE. SHELL CONFIRMED TO EMBASSY THAT JAN 14 DEADLINE HAS BEEN SET FOR PAYMENT OF AIR SAIM'S OVERDUE FUEL BILLS.

C. INTERMINISTERIAL COMMITTEE HAS RECOMMENDED THAT MINISTER OF COMMUNICATIONS EITHER (1) REVOKE AIR SIAM'S OPERATING PERMIT IMMEDIATELY, OR, (2) LET IT EXPIRE AUTOMATICALLY ON MARCH 31. DR. CHITTI AND DR. SRISOOK SAID THAT NO VOICES HAVE BEEN RAISED ON BEHALF AIR SIAM IN MINISTERIAL COMMITTEE MEETINGS IN LAST TWO WEEKS.

2. ON JAN 12 AIR SAIM BOARD CHAIRMAN PRINCESS SUDASIRI SOBHA, WHO IS COUSIN TO KING AND SISTER TO PRINCE VARANAND, FOUNDER OF AIR SIAM, APPEALED TO MINISTER OF COMMUNICATIONS FOR ASSISTANCE IN RESOLVING AIRLINE'S PROBLEMS. ALTERNATIVES PROPOSED WERE: (1) AIR SIAM TO TRANSFER ITS STOCK (AND DEBTS) TO MINISTRY; (2) AIR SIAM'S OPERATING PERMIT BE RENEWED FOR PERIOD OF FIVE YEARS; (3) THAI INTERNATIONAL TO TAKE OVER MANAGEMENT OF AIR SIAM IN EFFORT TO CLEAR AIR SIAM'S DEBTS.

3. ON REQUEST OF MINISTER, THAI INTERNATIONAL OFFICIALS MET WITH AIR SIAM EXECUTIVES AFTERNOON OF JAN 13 TO DISCUSS POSSIBILITIES. OFFICIALLY, THAI INTER REPS ASKED FOR DETAILED PRESENTATION OF AIR SIAM'S FINANCIAL LIMITED OFFICIAL USE

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STANDING, IN ORDER HAVE BASIS ON WHICH TO MAKE DECISION HOWEVER, THAI INTER EXECUTIVE WHO PARTICIPATED IN SESSION TOLD EMBOFF THAI INTER WILL NOT TAKE ANY STEPS TO RESCUE AIR SIAM OR TO PAY ITS DEBTS.

4. ACCORDING DR. CHITTI, PRINCESS SUBASIRI SOBHA HAS, LIKE PRINCE VARANAND, LOST SEVERAL MILLION DOLLARS IN AIR SIAM GAMBLE. HE NOTED THAT RTG HAD NOT BAILED OUT PRINCE VARANAND WHEN ORIGINAL AIR SIAM FOLDED UP IN 1972 AND DOUBTED RTG WILL MAKE GOOD LOSSES BY PRINCESS. (PRINCE VARANAND HAS RETURNED TO THAI INTER AS A DC-8 CO-PILOT.)

5. AT CLOSE OF CONVERSATION, DR. CHITTI INQUIRED ABOUT MODALITIES TO DESIGNATE THAI INTERNATIONAL FOR SERVICES ON ROUTE TO U.S. WEST COAST, ADDING THAT INAUGURATION OF SUCH SERVICES WOULD BE AT LEAST SIX MONTHS AND PERHAPS ONE YEAR AWAY. EMBOFF UNDERSTOOD TO QUERY DEPARTMENT. PLEASE ADVISE (REF A, PARA 6).

WHITEHOUSE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Reference:** 76 BANGKOK 34817, 77 BANGKOK 237, 77 STATE 2794  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**Subject:** CIVAIR: AIR SIAM -- THE END, AGAIN  
**TAGS:** EAIR, TH, AIR SIAM, (CHITTI WACHARASINDHU)  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odhc://SAS/SAS.dbo.SAS\_Docs/76fc04da-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
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